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RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[*on the report of the Second Committee (A/54/585/Add.3 and Corr.1)*]

54/198. International trade and development

The General Assembly,

Reaffirming its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996, 52/182 of 18 December 1997 and 53/170 of 15 December 1998, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Reaffirming the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa,[1] which provides an important framework for promoting a partnership for growth and development,

Emphasizing that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of developing countries, and emphasizing also that each country is responsible for its own economic policies for sustainable development,

Noting the need for multilateral trade liberalization, and noting also that a large number of developing countries have assumed the rights and obligations of the World Trade Organization without being able to

[1] *Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, South Africa, 27 April-11 May 1996, Report and Annexes* (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

reap the full benefits of, and participate fully in, the multilateral trading system, and that there is a need for progress towards liberalization and enhanced market access, including in areas and products of particular interest to developing countries,

Noting also the importance of assisting developing countries in building their capacity to engage effectively in international trade,

Stressing that full and faithful implementation of the commitments and obligations in multilateral trade agreements is important to the equitable and sustainable development and stability of the world economy,

Strongly emphasizing the importance of providing all members of the World Trade Organization with the opportunity to engage fully and effectively in the process of multilateral trade negotiations and in other activities within the multilateral trading system, in order to facilitate the attainment of balanced results with respect to the interests of all members,

Taking note of the report of the Trade and Development Board on its forty-sixth session,[2] and the report of the Secretary-General of the United Nations Conference on Trade and Development on specific actions related to the particular needs and problems of landlocked developing countries,[3]

Noting, in the context of international trade and development, the ongoing work of the Commonwealth Secretariat/World Bank Joint Task Force on Small States,

Taking note of the report of the Secretary-General,[4]

1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries and countries with economies in transition into the international trading system, in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the circumstances of individual countries, in particular the trade interests and development needs of developing countries;

2. *Renews its commitment* to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system, which contributes to the economic and social advancement of all countries and peoples by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations;

3. *Expresses concern* at the declining terms of trade in primary commodities, in particular for net exporters of such commodities, as well as the lack of progress in many developing countries in diversification, and in this regard strongly emphasizes the need for actions at both the national and international levels, *inter alia*, through improved market access conditions and support for capacity-building;

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[2] A/54/15 (Part V). For the final text, see *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 15*.

[3] A/54/529, annex.

[4] A/54/304.

4. *Recognizes* that the substantial improvement of market access for exports of goods and services from developing countries through, *inter alia*, the reduction or removal of tariff and non-tariff barriers should be a high priority for multilateral trade negotiations, and in this regard notes the needs and concerns of some countries with economies in transition;

5. *Deplores* any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by unilateral actions inconsistent with the multilateral trade rules and regulations, including those agreed upon in the Uruguay Round of multilateral trade negotiations;

6. *Expresses concern* about the proliferation of anti-dumping and countervailing measures, and stresses that they should not be used as protectionist measures;

7. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in the areas of trade, finance, technology, investment and sustainable development;

8. *Welcomes* the progress made so far in the preparations for the tenth session of the United Nations Conference on Trade and Development, to be held at Bangkok from 12 to 19 February 2000, by the Trade and Development Board and the host Government, considers that the tenth session of the Conference will provide, *inter alia*, an important opportunity for the United Nations system and the international community to engage in a collective reflection on development so as to reach a consensus on development strategies in an increasingly interdependent world by applying lessons of the past to making globalization an effective instrument for the development of all countries and all people, through which the international community should undertake a rigorous and balanced review of the policy and institutional framework for global trade and finance, and that, in this context, the Conference will provide member States with an opportunity to take stock of and review the major international economic initiatives and developments, in particular those that have taken place since the ninth session of the Conference, and urges the Conference to consider the strategies and policies that are most likely to ensure the successful integration of all countries concerned, particularly the developing countries, into the world economy on an equitable basis and to avoid the risk of further marginalization;[5]

9. *Reiterates* the importance of continued trade liberalization in developed and developing countries, including in sectors of export interest to developing countries, through, *inter alia*:

(*a*) Substantial reductions of tariffs, the rolling back of tariff peaks and the removal of tariff escalation;

(*b*) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

(*c*) Ensuring that resort to anti-dumping duties, countervailing duties, phytosanitary regulations and technical standards is subjected to effective multilateral surveillance so that such measures respect and are consistent with multilateral rules and obligations and are not used for protectionist purposes;

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[5] See TD/B/EX(20)/L.1.

(*d*) The improvement and renewal, by preference-giving countries, of their Generalized System of Preferences schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of the Generalized System of Preferences schemes, and in this context reiterates its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

10. *Also reiterates* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed countries and to promote their expeditious integration into the world economy and that all countries should work together towards further enhanced market access for exports from the least developed countries within the context of supporting their own efforts at capacity-building; welcomes the initiatives taken by the World Trade Organization in cooperation with other organizations in the implementation of the Plan of Action for the Least Developed Countries adopted at its first Ministerial Conference, held at Singapore from 9 to 13 December 1996, including through effective follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held at Geneva on 27 and 28 October 1997, taking note of the proposals adopted by the Least Developed Countries' Coordinating Workshop held at Sun City, South Africa, from 21 to 25 June 1999; recognizes that the full implementation of the Plan of Action requires further and expeditious progress towards duty-free imports from the least developed countries; invites the relevant international organizations to provide the enhanced technical assistance required to help to strengthen the supply capacity of the least developed countries so as to help them to take the fullest possible advantage of trading opportunities arising from globalization and liberalization; and welcomes the holding of the Third United Nations Conference on the Least Developed Countries at Brussels in 2001;

11. *Stresses* the urgent need to facilitate the integration of the countries of Africa into the world economy, and in this context welcomes the action-oriented agenda for the development of Africa contained in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa,[6] and endorses the call, contained in the ministerial communiqué adopted by the Economic and Social Council on 8 July 1998,[7] for continued efforts to enhance market access for products of export interest to African economies and support for their efforts at diversification and building of supply capacity, and in this context requests the United Nations Conference on Trade and Development to continue to enhance its contribution to the United Nations New Agenda for the Development of Africa in the 1990s,[8] taking into account the agreed conclusions of the Trade and Development Board on Africa;[9]

12. *Requests* the Secretary-General to ensure the initiation by the United Nations Conference on Trade and Development, in the areas falling within its mandate, of the preparatory process for the final review and appraisal of the implementation of the New Agenda to be held in 2002, in particular focusing on market access, diversification and supply capacity, resource flows and external debt, foreign direct and portfolio

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[6] A/52/871-S/1998/318; see *Official Records of the Security Council, Fifty-third Year, Supplement for April, May and June 1998*, document S/1998/318.

[7] See *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chap. IV, para. 5.

[8] Resolution 46/151, annex, sect. II.

[9] A/54/15 (Part V), chap. I, sect. C, agreed conclusions 458 (XLVI). For the final text, see *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 15.*

investment and access to technology, and in this context also requests the Secretary-General to submit a report, based on the recommendations of the Trade and Development Board on Africa, on measures taken in this regard, with a special emphasis on African trade issues, for the consideration of the General Assembly at its fifty-sixth session under the agenda item entitled "International trade and development";

13. *Stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing countries and to recognize that those developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

14. *Endorses* the relevant provisions adopted at the twenty-second special session of the General Assembly for the review and appraisal of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States,[10] and in this context reiterates the need for the United Nations Conference on Trade and Development to enhance its contribution to the implementation of the Programme of Action;[11]

15. *Reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations,[12] taking into account the specific interests of developing countries so as to maximize economic growth and development benefits for all, and the need for the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries, particularly making operational the previously agreed special and differential provisions, including the strengthening of these concepts, taking into account the changing realities of world trade and of globalization, and urges Governments and concerned international organizations to apply effectively the Ministerial Decisions on Measures in Favour of Least Developed Countries and on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;[12]

16. *Recognizes* that it is important that the momentum towards increased trade liberalization, particularly as regards areas and products of interest to developing countries, be maintained and that further liberalization be sufficiently broad-based to respond to the range of interests and concerns of all members, within the framework of the World Trade Organization, and in this regard welcomes the activities of the United Nations Conference on Trade and Development aimed at assisting developing countries in developing a positive agenda for future multilateral trade negotiations, and invites the Conference to continue to provide analytical support and technical assistance, including capacity-building activities, to those countries for their effective participation in the negotiations;

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[10] See resolution S-22/2.

[11] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

[12] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

17. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

18. *Invites* the international financial institutions to ensure that, in their development cooperation activities with developing countries, the obligations of the latter with regard to their development policies, strategies and programmes in trade and trade-related areas are consistent with their commitments under the framework of rules agreed upon within the multilateral trading system;

19. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and also emphasizes the necessity for Governments that are members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner, on the basis of undertaking balanced World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development and the World Trade Organization to provide the technical assistance, within their mandates, that will contribute to the rapid and full integration of those countries into the multilateral trading system;

20. *Stresses* the need for improved measures to address the volatility of short-term capital flows as well as the effects of financial crisis on the international trading system and the development prospects of developing countries and the countries affected by such crisis, emphasizing that keeping all markets open and maintaining continued growth in world trade are key elements in overcoming such a crisis, and in this context rejects the use of any protectionist measures; at a broader level, there is a need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system, and in this context calls for close cooperation between the organizations of the United Nations system and the multilateral trade and financial institutions, with the participation of their secretariats and the States Members of the United Nations and observer States;

21. *Requests* the Secretary-General, in scheduling and organizing mandated events on trade and trade-related issues, to promote complementarity in the work of the relevant bodies of the United Nations system and with other international organizations, with the participation of their secretariats and the States Members of the United Nations and observer States, as appropriate, bearing in mind the mandate of the United Nations Conference on Trade and Development;

22. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives being in conformity with World Trade Organization rules, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system, and in this context invites Governments and intergovernmental and multilateral institutions to continue to provide support to economic integration among developing countries as well as among countries with economies in transition;

23. *Requests* the United Nations Conference on Trade and Development to continue to identify and analyse the implications for development of issues relevant to investment, as well as to identify ways and means to promote foreign direct and portfolio investment directed to all developing countries, taking into account their interests, in particular to those most in need, as well as to those countries with economies in

transition with similar needs, and bearing in mind the work undertaken by other organizations, including the regional commissions;

24. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

25. *Strongly emphasizes* the need for technical assistance, including legal assistance, to developing countries, through, *inter alia*, the newly established Advisory Centre on World Trade Organization Law and other mechanisms, to enable those countries to take the fullest possible advantage of the dispute settlement mechanism of the World Trade Organization, based on multilaterally agreed rules and regulations, and also in this context emphasizes that it is important for the United Nations Conference on Trade and Development to strengthen its technical assistance to developing countries, in particular the least developed countries, landlocked developing countries and small island developing States in this area;

26. *Notes* the increasing importance and application of electronic commerce in international trade and the need to strengthen the capacities of developing countries to participate effectively in electronic commerce, and urges the organizations of the United Nations system, within their mandates and in cooperation with other relevant bodies, with the participation of their secretariats and the States Members of the United Nations and observer States, the United Nations Conference on Trade and Development, the International Telecommunication Union, the International Trade Centre and the regional commissions, to continue to assist developing countries and countries with economies in transition, and, in this regard, emphasizes the need for analysis of the fiscal, legal and regulatory aspects of electronic commerce as well as its implications for the trade and development prospects of developing countries;

27. *Stresses* the importance of assisting developing countries and interested countries with economies in transition in improving the efficiency of trade-supporting services, *inter alia*, through the elimination of procedural barriers and by greater use of trade facilitating mechanisms, particularly in the areas of transport, customs, banking and insurance, and business information, especially in the case of small and medium-sized enterprises, and in this respect invites the United Nations Conference on Trade and Development, within its mandate, in collaboration with other relevant bodies of the United Nations, including the regional commissions, to continue to assist these countries in these areas;

28. *Requests* the Secretary-General of the United Nations Conference on Trade and Development to provide, in collaboration with other relevant bodies, substantive input on the role of information and communications technology in trade, finance, investment and related areas to the Economic and Social Council at the high-level segment of its substantive session of 2000;

29. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fifth session on the implementation of the present resolution and the developments in the multilateral trading system.

87th plenary meeting
22 December 1999